



## FISCAL MEMORANDUM

### SB 531 - HB 630

March 13, 2023

**SUMMARY OF BILL AS AMENDED (005586):** Requires the Commissioner of the Department of Children's Services (DCS) to ensure that, by January 1, 2025, no case manager is responsible for more than 20 cases simultaneously, by January 1, 2026, no case manager is responsible for more than 18 cases simultaneously, and by January 1, 2027, no case manager is responsible for more than 15 cases simultaneously, except in certain circumstances. Authorizes the Commissioner of DCS to employ programmatic, support personnel, special response team personnel, and administrative support personnel who do not maintain regular caseloads.

Requires DCS, beginning January 1, 2024, to annually publish on its website information related to current case manager case and supervisor caseloads.

Establishes that, if the average case manager caseload exceeds 20 for two consecutive months beginning January 1, 2025, or if 10 percent of case managers have caseloads exceeding 20, or if the average case manager caseload exceeds 18 for two consecutive months beginning January 1, 2026, or if 10 percent of case managers have caseloads exceeding 18, or if the average case manager caseload exceeds 15 for two consecutive months beginning January 1, 2027, or if 10 percent of case managers have caseloads exceeding 15, DCS will be considered noncompliant and must then deliver a summary of emergent efforts being made to rectify the noncompliance to the Governor, Lieutenant Governor, and Speaker of the House of Representatives and to post monthly on its website the average caseload. Requires the Commissioner, after three consecutive months of non-compliance, to give written notice to the Governor and TGA if any of these caseload requirements are infeasible or unwarranted.

Creates the definition of a person residing in the child's home for the purposes of reporting, investigating, and treating child abuse, to include a person who resides in a residential setting with a child who is in the custody of DCS.

### FISCAL IMPACT OF BILL AS AMENDED:

**Other Fiscal Impact –** The current DCS budget contains funding sufficient to fund the requirements of this legislation; however, due to staff vacancy rates, funds have not been expended; such unspent funds revert to the General Fund. To the extent all required positions were filled, the recurring increase in expenditures would be \$1,095,900 in state funds and \$734,400 in federal funds in FY24-25, \$6,562,000 in state funds and \$4,397,200 in federal funds in FY25-26, \$19,572,300 in state funds and \$13,115,300 in federal funds in FY26-27, and

**\$28,212,500 in state funds and \$18,923,100 in federal funds in FY27-28 and subsequent years.**

Assumptions for the bill as amended:

- Pursuant to Tenn. Code Ann. § 37-5-132(a)(1)-(2), the DCS is required to maintain staffing levels of case managers so that each region has enough case managers to allow caseloads not to exceed an average of 20 active cases relating to initial assessments, including investigations of an allegation of child abuse or neglect, or 20 children monitored and supervised in active cases relating to ongoing services.
- The proposed legislation would require DCS to maintain staffing levels so that caseloads do not exceed, as opposed to not exceeding an average of, 20 active cases., and then are lessened to 18 active cases per case manager, and then to 15 active cases per case manager.
- DCS requires one team leader for every five case managers, and one team coordinator for every four team leaders.
- According to information provided by DCS, there are currently 1,407 case managers and 28,952 open cases.
- In order for the caseload of a case manager to not exceed 20 active cases, DCS will be required to fill an additional: 41 case manager positions  $[(28,952 \text{ cases} / 20 \text{ cases}) - 1,407 \text{ current case managers}]$ ; 8 new team leaders  $(41 \text{ new case managers} / 5 \text{ new team leaders})$ ; and 2 new team coordinator positions  $(8 \text{ new team leaders} / 4 \text{ new team coordinators})$ .
- Expenditures associated with such positions are estimated to be \$3,660,530 (\$2,818,596 salaries + \$841,934 benefits) and would consist of \$2,191,812 in state funding and \$1,468,718 in federal funding, as follows:
  - \$1,610,633 in DCS state funds  $(\$3,660,530 \times 44.0\%)$ ,
  - \$581,179 in TennCare state funds  $[(\$3,660,530 \times 46.0\%) \times 34.515\%]$ ,
  - \$1,102,665 in TennCare federal funds  $[(\$3,660,530 \times 46.0\%) \times 65.485\%]$ , and
  - \$366,053 in Title IV-E federal funds  $(\$3,660,530 \times 10.0\%)$ .
- Since the proposed legislation begins halfway through the fiscal year, the increase in expenditures will be \$1,095,906  $(\$2,191,812 \times 50\%)$  in state expenditures and \$734,359  $(\$1,468,718 \times 50\%)$  in federal expenditures in FY24-25 and FY25-26.
- In order for the caseload of a case manager to not exceed 18 active cases, DCS will be required to fill an additional: 202 case manager positions  $[(28,952 \text{ cases} / 18 \text{ cases}) - 1,407 \text{ current case managers}]$ ; 41 new team leaders  $(202 \text{ new case managers} / 5 \text{ new team leaders})$ ; and 11 new team coordinator positions  $(41 \text{ new team leaders} / 4 \text{ new team coordinators})$ .
- Expenditures associated with such positions are estimated to be \$18,257,775  $(\$14,060,784 \text{ salaries} + \$4,196,926 \text{ benefits})$  and would consist of \$10,932,189 in state funding and \$7,325,586 in federal funding, as follows:
  - \$8,033,421 in DCS state funds  $(\$18,257,775 \times 44.0\%)$ ,
  - \$2,898,769 in TennCare state funds  $[(\$18,257,775 \times 46.0\%) \times 34.515\%]$ ,
  - \$5,499,808 in TennCare federal funds  $[(\$18,257,775 \times 46.0\%) \times 65.485\%]$ , and
  - \$1,825,778 in Title IV-E federal funds  $(\$18,257,775 \times 10.0\%)$ .

- Since the proposed legislation begins halfway through the fiscal year, the increase in expenditures will be \$5,466,095 ( $\$10,932,190 \times 50\%$ ) in state expenditures and \$3,662,793 ( $\$7,325,586 \times 50\%$ ) in federal expenditures in FY25-26 and FY26-27.
- In order for the caseload of a case manager to not exceed 15 active cases, DCS will be required to fill an additional: 524 case manager positions [(28,952 cases / 15 cases) – 1,407 current case managers]; 105 new team leaders (524 new case managers / 5 new team leaders); and 27 new team coordinator positions (105 new team leaders / 4 new team coordinators).
- Expenditures associated with such positions are estimated to be \$47,117,455 (\$36,283,176 salaries + \$10,834,111 benefits) in FY27-28 and subsequent years, and would consist of \$28,212,471 in state funding and \$18,923,058 in federal funding, as follows:
  - \$20,731,680 in DCS state funds ( $\$47,117,455 \times 44.0\%$ ),
  - \$7,480,791 in TennCare state funds [ $(\$47,117,455 \times 46.0\%) \times 34.515\%$ ],
  - \$14,193,238 in TennCare federal funds [ $(\$47,117,455 \times 46.0\%) \times 65.485\%$ ], and
  - \$4,711,746 in Title IV-E federal funds ( $\$47,117,455 \times 10.0\%$ ).
- Since the proposed legislation begins halfway through the fiscal year, the increase in expenditures will be \$14,106,236 ( $\$28,212,471 \times 50\%$ ) in state expenditures and \$9,452,492 ( $\$18,904,984 \times 50\%$ ) in federal expenditures in FY26-27.
- The total increase in state expenditures will be \$1,095,906 in FY24-25, \$6,562,001 ( $\$1,095,906 + \$5,466,095$ ) in FY25-26, \$19,572,331 ( $\$5,466,095 + \$14,106,236$ ) in FY26-27, and \$28,212,471 in FY27-28 and subsequent years.
- The total increase in federal expenditures will be \$734,359 in FY24-25, \$4,397,152 ( $\$734,359 + \$3,662,793$ ) in FY25-26, \$13,115,285 ( $\$3,662,793 + \$9,452,492$ ) in FY26-27, and \$18,923,058 in FY27-28 and subsequent years.
- According to information provided by DCS, there is approximately a 23 percent vacancy rate among case manager positions statewide, the costs of which are currently covered in DCS's budget.
- Assuming all open caseworker positions were filled, the average caseload per case manager would be significantly less than 15 cases.
- According to DCS, all such unspent funds for these unfilled positions revert to the General Fund. DCS' total reversion in FY21-22 was \$55,400,081.
- Barring any other action taken or unforeseen circumstance occurring, the vacant positions will remain vacant at a similar rate and DCS will not be able to comply with the proposed legislation.
- DCS will be able to publish on its website without any increase in state expenditures.
- DCS will be able to inform the Governor, the TGA, and the Commission on Children and Youth of their possible noncompliance by utilizing existing resources and personnel, and will therefore be done without any fiscal impact.
- Tennessee Code Annotated § 37-1-602 does not currently have a definition for a person residing in the child's home.
- However, pursuant to Tenn. Code Ann. § 37-1-602(a)(3)(D), for purposes of reporting, investigation, and treatment by DCS, child sexual abuse is defined to also mean the commission of certain acts against a child 13 through 17 years of age if such act is committed against the child by a parent, guardian, relative, person residing in the child's home, or another person responsible for the care and custody of the child.

- Establishing a definition of a person residing in the child's home to clarify that it includes a person who resides in a residential setting with a child who is in the custody of DCS is not estimated to result in a significant increase in the caseloads of DCS. Any impact on state or federal expenditures will be not significant.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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